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Sen. Johnson announces release of health care study

LANSING – According to the results of a study conducted by the HayGroup, the state of Michigan could save an estimated \$146 to \$281 million a year, or an additional \$86 to \$165 per pupil, if school employee health care benefits were pooled together, announced state Sen. Shirley Johnson, R-Troy.

“The rapidly escalating costs of health care have had a serious, negative impact on education funding,” Johnson, chair of the Senate Appropriations Committee, said. “The Legislature is working hard to try and solve this dilemma and send more of our dollars into the classroom.”

Johnson plans to hold a series of hearings to take testimony on the results of the study.

“Superintendents have been coming to me and asking for help,” Johnson said. “In fact it was Janet Jopke, the late superintendent of the Troy School District, who approached me about pooling health care benefits for school employees. She believed it would be possible to save millions of dollars a year. With the release of the study, it’s great to have options to offer them – a way they can save money without effecting students.”

Currently, school districts spend \$11,362 per employee. Under the state employee plan costs total \$9,212 per employee. School districts will spend \$2.1 billion on health care this school year, or 16.5 percent of the total proposed funding for schools.

The Legislature requested the feasibility study this spring in a search for options to lower the cost of educators’ health care without reducing benefits.

The Michigan study focused on the practicality and economic advantages of moving all educators to a statewide health insurance pool. This includes public schools, community colleges, state universities and intermediate school districts.

Several other states have conducted similar studies and are already seeing significant savings.

“We need to focus on saving wherever we can so we can put more money back in the classroom where it belongs,” Johnson said. “We are looking at several possible solutions. It’s important to keep an open mind.”

The Senate Appropriations Committee will hold their first public hearing on the study Tuesday, July 26 at 12:30 p.m. in the Senate Appropriations Committee Room, 3rd floor of the Capitol.

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